

PNM RESOURCES INC
Form 8-K
August 02, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) August 2, 2007
(August 1, 2007)

Commission File Number	Name of Registrants, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
001-32462	PNM Resources, Inc. (A New Mexico Corporation) Alvarado Square Albuquerque, New Mexico 87158 (505) 241-2700	85-0468296
001-06986	Public Service Company of New Mexico (A New Mexico Corporation) Alvarado Square Albuquerque, New Mexico 87158 (505) 241-2700	85-0019030

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Edgar Filing: PNM RESOURCES INC - Form 8-K

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01 Other Events

Public Service Company of New Mexico (“PNM”) is a wholly-owned subsidiary of PNM Resources, Inc. (“PNMR”). In 1985 and 1986, PNM entered into 11 separate transactions through which it sold all of its interest in Units 1 and 2 of the Palo Verde Nuclear Generating Station and related common facilities to institutional investors. At the same time, PNM entered into agreements to leaseback the facilities that were sold. These transactions resulted in gains, which in accordance with generally accepted accounting principles (“GAAP”) were deferred and amortized over the lives of the leases.

In 1990, the New Mexico Public Service Commission, the predecessor to the New Mexico Public Regulation Commission, ordered that the portion of the gain on the sale-leasebacks attributable to PNM’s New Mexico customers was to reduce electric rates over 15 years. Accordingly, under GAAP, the amortization period of the portion of the gain on the sale-leasebacks attributable to New Mexico customers should have been changed to match the rate-making treatment, which would have resulted in that portion of the gain being completely amortized by 2001. However, PNM continued to amortize the gain over the lives of the leases for financial reporting purposes.

On August 1, 2007, management of PNMR and PNM determined that in accordance with Securities and Exchange Commission Staff Accounting Bulletin 108 the audited financial statements included in the PNMR and PNM Annual Reports on Form 10-K for the fiscal year ended December 31, 2006 and the unaudited financial statements included in the PNMR and PNM Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2007 should be restated to correct this error. The restatement will be reflected by increasing the beginning balance of retained earnings for both PNMR and PNM as of January 1, 2004 by \$15.5 million and removing the amortization of the portion of the gain attributable to New Mexico customers, which amounts to a \$1.3 million annual decrease in net earnings. The impacts of the above, as well as the impacts on the three months and six months ended June 30, 2006, are shown in the following table. On the statements of cash flows, the change in net earnings for removing the amortization, which is a non-cash item, will be offset by a change in deferred credits resulting in no impact on net cash flows from operating activities and does not otherwise impact the statements of cash flows.

	PNMR			PNM		
	Previously Reported	Restatement	Restated	Previously Reported	Restatement	Restated
	(In millions, except per share amounts)					
Balance Sheet						
Retained earnings as of January 1, 2004	\$ 503.1	\$ 15.5	\$ 518.6	\$ 302.6	\$ 15.5	\$ 318.1
Statement of Earnings						
Year ended December 31, 2006						
Net earnings available to common stock	\$ 122.1	\$ (1.3)	\$ 120.8	\$ 71.7	\$ (1.3)	\$ 70.4
Net earnings per common share						
Basic	1.75	(0.02)	1.73	*	*	*
Diluted	1.73	(0.02)	1.71	*	*	*
Year ended December 31, 2005						
Net earnings available to common stock	67.2	(1.3)	65.9	52.1	(1.3)	50.8
Net earnings per common share						
Basic	1.02	(0.02)	1.00	*	*	*
Diluted	1.00	(0.02)	0.98	*	*	*
Year ended December 31, 2004						
Net earnings available to common stock	87.7	(1.3)	86.4	91.9	(1.3)	90.6
Net earnings per common share						
Basic	1.45	(0.02)	1.43	*	*	*
Diluted	1.43	(0.02)	1.41	*	*	*
Three months ended March 31, 2007						
Net earnings available to common stock	30.0	(0.3)	29.7	29.1	(0.4)	28.7
Net earnings per common share						
Basic	0.39	**	0.39	*	*	*
Diluted	0.38	**	0.38	*	*	*
Three months ended March 31, 2006						

Edgar Filing: PNM RESOURCES INC - Form 8-K

Net earnings available to common stock	26.3	(0.3)	26.0	30.3	(0.3)	30.0
Net earnings per common share						
Basic	0.38	**	0.38	*	*	*
Diluted	0.38	(0.01)	0.37	*	*	*

Three months ended June 30, 2006

Net earnings available to common stock	16.3	(0.3)	16.0	3.2	(0.3)	2.9
Net earnings per common share						
Basic	0.24	(0.01)	0.23	*	*	*
Diluted	0.23	**	0.23	*	*	*

Six months ended June 30, 2006

Net earnings available to common stock	42.6	(0.6)	42.0	33.5	(0.7)	32.8
Net earnings per common share						
Basic	0.62	(0.01)	0.61	*	*	*
Diluted	0.61	**	0.61	*	*	*

* PNM is a wholly-owned subsidiary of PNMR and does not present earnings per share

** Less than \$0.01 per share

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

PNM RESOURCES, INC.
PUBLIC SERVICE COMPANY OF NEW MEXICO
(Registrants)

Date: August 2, 2007

/s/ Thomas G. Sategna
Thomas G. Sategna
Vice President and Corporate Controller
(Officer duly authorized to sign this report)